

STATE OF MAINE
PUBLIC UTILITIES COMMISSION

Docket No. 2003-635

March 4, 2004

HOULTON WATER COMPANY
(Electric Department)
Application for Approval of Issuance
of Securities (35A-M.R.S.A. §902)
(\$430,000)

AMENDED
ORDER APPROVING
ISSUE OF SECURITIES

WELCH, Chairman; DIAMOND and REISHUS, Commissioners

I. SUMMARY

On August 27, 2003, the Electric Department of Houlton Water Company (HWC) filed with the Commission an application for approval of the issuance of securities through the Maine Municipal Bond Bank (MMBB) for the purpose of maintaining and upgrading its distribution system and to purchase a new line truck. HWC proposes to borrow \$430,000 at a fixed interest rate not to exceed **6.50%** with a final maturity not to exceed 20 years. This Order approves HWC's request.

II. DECISION

The Electric Department of HWC will use the loan proceeds for the replacement of roughly 2.4 miles of electric transmission lines and related facilities including poles, cross-arms, insulators and guy wires. In addition the Electric Department of HWC will purchase a new line truck, which it will utilize for transporting and setting poles as well as for transporting and installing transformers. The proposed loan will be unsecured and will required annual principal and semi-annual interest payments.

Pursuant to an Amended Delegation Order dated January 9, 1996, in Docket No. 94-401, the Commission delegated to the Director of Finance pursuant to 35-A M.R.S.A. § 107 (4), the authority to grant the Approval of Stocks, Bonds and Notes by the Public Utilities Commission, Chapter 9, 35-A M.R.S.A., in those circumstances that involved the approval of Maine Municipal Bond Bank (MMBB), Rural Utilities Service (RUS), National Rural Utilities Cooperative Finance Corporation (CFC), Rural Telephone Bank (RTB) and CoBank, ACB (CoBank) financing applications by telecommunication and electric utilities. The approval of the Director of Finance shall be in the form of an Order, copies of which shall be maintained in the files of the office of the Administrative Director.

Having reviewed the application of the Company, together with data provided in support of it, it is the opinion of the Commission that the proceeds of the issuance of the

securities are required in good faith for the purposes enumerated in 35-A M.R.S.A. § 901. In approving this securities issue, consistent with normal practice and pursuant to 35-A M.R.S.A. § 902(4), the Commission does not imply approval of the Company's capital needs, capital costs or capitalization ratio for rate making purposes, nor does this Order limit or restrict the powers of the Commission in determining or fixing any rate.

Accordingly, pursuant to the Amended Delegation Order dated January 9, 1996, in Docket No. 94-401, I

O R D E R

1. That the Electric Department of Houlton Water Company (HWC) is authorized to issue securities through the Maine Municipal Bond Bank as described in its application, in a sum not to exceed \$430,000 at an interest rate not to exceed **6.50%** for a term not to exceed 20 years.

2. That the Electric Department of HWC report to the Commission, in writing, its doings pursuant to this Order within sixty (60) days of closing of this transaction.

3. That a copy of this Order be mailed to interested parties and this Docket be closed.

Dated at Augusta, Maine, this 4th day of March, 2004.

BY ORDER OF THE DIRECTOR OF FINANCE

Richard Kania
Acting Director of Finance

NOTICE OF RIGHTS TO REVIEW OR APPEAL

5 M.R.S.A. § 9061 requires the Public Utilities Commission to give each party to an adjudicatory proceeding written notice of the party's rights to review or appeal of its decision made at the conclusion of the adjudicatory proceeding. The methods of review or appeal of PUC decisions at the conclusion of an adjudicatory proceeding are as follows:

1. Reconsideration of the Commission's Order may be requested under Section 1004 of the Commission's Rules of Practice and Procedure (65-407 C.M.R.110) within 20 days of the date of the Order by filing a petition with the Commission stating the grounds upon which reconsideration is sought.
2. Appeal of a final decision of the Commission may be taken to the Law Court by filing, within 21 days of the date of the Order, a Notice of Appeal with the Administrative Director of the Commission, pursuant to 35-A M.R.S.A. § 1320(1)-(4) and the Maine Rules of Appellate Procedure.
3. Additional court review of constitutional issues or issues involving the justness or reasonableness of rates may be had by the filing of an appeal with the Law Court, pursuant to 35-A M.R.S.A. § 1320(5).

Note: The attachment of this Notice to a document does not indicate the Commission's view that the particular document may be subject to review or appeal. Similarly, the failure of the Commission to attach a copy of this Notice to a document does not indicate the Commission's view that the document is not subject to review or appeal.